



City of Norfolk Virginia

Dan S. Hester
Councilman

November 27, 2007

Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Kevin J. Martin, Chairman
Michael J. Copps, Commissioner
Jonathan S. Adelstein, Commissioner
Deborah Taylor Tate, Commissioner
Robert M. McDowell, Commissioner

*Re: Verizon Forbearance Petitions for the Virginia Beach, Boston, New York,
Philadelphia, Pittsburgh, and Providence Metropolitan Statistical Areas, WC
Docket No. 06-172*

Dear Chairman Martin and FCC Commissioners:

We are writing to urge the FCC to reject the "forbearance" petition filed by Verizon for the Virginia Beach/Norfolk/Newport News region – and five other major metropolitan areas throughout the United States – on account of its potential to reduce the already slim competitive options available for communications services, raise prices, and ultimately harm residents and our community's technological future.

Consumers and small businesses in our region depend on meaningful competition in order to keep prices low, innovation high and productivity on the rise. Unfortunately, the level of competition has not risen to the level we would have wished – more than ten years after the Telecommunications Act of 1996 – especially in the "enterprise," or business market. Indeed, our region's small and large businesses continue to have too few choices when it comes to voice and broadband services, and Verizon continues to exert overwhelming market power, ultimately costing these entrepreneurs in higher prices. Even the Federal government admitted as much when the Department of Defense wrote that Verizon "[c]ompetition has not been sufficient to limit Verizon's pricing power."

But if Verizon's forbearance petition were to be granted, and the competitive carriers that lease access to Verizon's last mile facilities priced out of the market, our business owners would no other choice except Verizon for service – an effective monopoly.

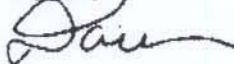
The resulting market would cost consumers and businesses in the Virginia Beach region an estimated \$104 million a year. Across the six markets for which Verizon has requested a special exemption from the pro-competition rules established by Congress in the 1996 Telecommunications Act, it would cost Americans \$2.4 billion a year in monopoly rents.

And for the thousands of Virginia households that are served by competitive carriers like Cavalier – which offers the triple-play of video, voice and broadband at affordable prices for middle-class households – granting Verizon this forbearance would have a nearly immediate impact on their pocketbook. One less company would compete for their hard earned dollars, and the big telecom companies like Verizon would have one less innovator nipping at their heels. The first forbearance petition granted by the Commission in the Omaha, Nebraska market wrought this exact outcome, and that region's largest competitive carrier has abandoned the market and its customers. Let us hope the FCC will not let the same occur in our backyard.

At this time when most experts put the United States barely in the middle of the pack of countries for high-speed Internet speeds, prices and availability, it strikes us as utterly confounding that the FCC would allow the incumbents to engage in such anti-competitive practices that were clearly not intended by Congress.

Therefore, we join the growing coalition of consumer advocates (like Free Press, Consumers Union, the Consumer Federation of America), bipartisan Members of Congress (from liberals like Representative Markey to conservatives such as Representative Sensenbrenner), state regulators (including the Virginia Office of Attorney General and Virginia State Corporation Commission), and the nation's utility advocates at the National Association of State Utility Consumer Advocates (NASUCA) in urging the FCC to oppose the anti-competitive forbearance petition requested by Verizon.

Signed,



Dawn S. Hester
Councilwoman, Super Ward 7
City of Norfolk